

**From:** Daniel Sargeant  
**To:** Chris Bake  
**Cc:** Guillaume Quiviger; Nick Fay; Eric Kuo; Steve Barth; Roberto Finocchi; [hsargeant@sargeant.net](mailto:hsargeant@sargeant.net)  
**Subject:** Re: Draft term sheet GCAC  
**Date:** Wednesday, October 25, 2017 2:01:36 PM

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Chris,

Thank you for the update and the continued support over the course of this deal with GCAC.

Believe based on what we have seen over the last few months this is the best result for Valt.

Best Regards,

Dan

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**From:** Chris Bake [[cpb@Vitol.com](mailto:cpb@Vitol.com)]  
**Sent:** October 25, 2017 at 1:49:38 PM  
**To:** Daniel Sargeant  
**CC:** Guillaume Quiviger, Nick Fay, Eric Kuo, Steve Barth, Roberto Finocchi, Harry Sr.  
**Subject:** RE: Draft term sheet GCAC

Dan,

Since this note there have been various conversations with Houston, there is clear acknowledgement that a commercial deal between GCAC and VALT is unlikely to succeed despite efforts made, and that GCAC want to have a footprint beyond FOB and will keep pushing to try and establish that.

Vitol have advised GCAC that Vitol will not move forward with any form of JV and the current financing arrangement is being wound down in an orderly manner with immediate effect. From receiving the notice from Vitol, we understand that GCAC have moved forward with Mercuria, and they will likely step into the Corpus tanks and likely also assume the financing role. None of that is unexpected. Understand that is to be finalised by the 15<sup>th</sup> of November.

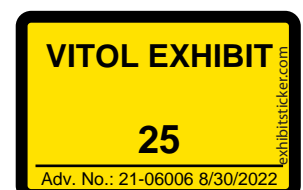
Regret that the evolution of this deal has consumed a fair amount of time and attention for all of us, and am frustrated that we weren't able to bring GCAC to a reasonable commercial settlement.

Thank you for being patient as we tried to make that happen.

Regards

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**From:** Daniel Sargeant  
**Sent:** 13 October 2017 18:11  
**To:** Chris Bake  
**Cc:** Guillaume Quiviger; Nick Fay; Eric Kuo; Steve Barth; Roberto Finocchi; Harry Sr.  
**Subject:** FW: Draft term sheet GCAC



Chris,

Monday will be 3 weeks since we made a more than fair offer to GCAC on a solution for all parties to move forward with GCAC. We have tried pursuing multiple opportunities (Panama, Ship financing, and now the below supply agreement), without success to date. The latest failure to get a deal through in my mind demonstrates a lack of commitment from their side to make things work.

At the same time employees of GCAC such as George Grace are actively pursuing a time charter of an asphalt vessel on behalf of Vitol (after declining Valt support) to trade in the Caribbean in direct competition to Valt. It is clear they have no desire to work with Valt.

At this point I would ask that the Vitol/GCAC relationship be terminated immediately to avoid any further conflicts, and I would refer you to the Valt shareholder agreement non-compete clause.

Best Regards,

Dan

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**From:** Roberto Finocchi  
**Sent:** 25 September 2017 13:40  
**To:** Arthur Brass; Patrick Perugini  
**Cc:** Daniel Sargeant; Nick Fay  
**Subject:** Draft term sheet GCAC

AJ and Patrick,

We propose the following supply contract. Probably better to meet to discuss the multiple open items.

**Seller:** Gulf Coast Asphalt Corporation (GCAC)

**Buyer:** VALT Asphalt Sarl

**Quantity:** 40,000 – 70,000 barrels per month to be discussed. Monthly volume may be accumulated for larger shipments.

**Quality:** PG 64-22 or PG 67-22 as per ASHTOO M320 or AC-30, AC-20 as per ASTM D-3381 Table 2 or Pen 60/70 or Pen 35-50 as per ASTM D946 table 2. Buyer may nominate any other grade or specialty grade subject to confirmation by Seller.

**Origin:** Mobile, AL. Alternatively Corpus Christi, TX subject to Buyer's acceptance.

**Q&Q determination:** LOAD PORT - SHORE TANKS

**Inspection:** 50/50

**Vessel:** TBN to be approved by GCAC and corresponding terminals in

Mobile and Corpus Christi

Term: From October 1, 2017 to September 30, 2018.

Laytime: 36 h + 6 hrs NOR

Demurrage: AS PER C/P.

Price FOB Mobile: Lowest of Poten and Partners mean Gulf Coast/Mid-South Barge under column selling price Asphalt Cement quote from last available Asphalt Weekly Monitor report on B/L date minus US\$20/ST or Poten and Partners Low Gulf Coast/Mid-South Barge under column selling price Asphalt Cement quote from last available Asphalt Weekly Monitor report on B/L date minus US\$10/ST. For cargoes FOB Corpus Christi additional 1 \$/ST discount to be applied to above formulas

In case of two port loading cargoes.... to be discussed

Pricing: Latest Poten & Partners AWM quote available on B/L date.

Credit terms: Open credit

Payment: 10 calendar days after BL (BL= 0)

Law: New York Law. Arbitration under ICC rules

GT&C: Incoterms 2010 and SHELL

Nomination procedure: open to discussion

By the 10<sup>th</sup> of previous month, Seller will indicate Buyer, a 10 day laycan, quantities, and grades for product that may be available for the month of lifting.

By the 15<sup>th</sup> of previous month, Buyer will nominate 10 day tentative loading range(s) and tentative grade or grades and specs for each loading range for the month of liftings. No later than 10 days prior to the first day of the loading range, Buyer will narrow to a 5 day loading range and will nominate the grade and specifications required and not later than 5 days prior to the first day of the loading range to a three day loading range.

In any given month, GCAC will inform VALT quantity, grades and loading range of cargoes that are still available for sale no later than 10 days prior to the first day of the intended loading range. Valt will confirm to GCAC within 3 days its interest on such cargo after which GCAC may sell the cargo in the open market.

Regards